

Work Copy

LAW OFFICES
PRUITT, GUSHEE & FLETCHER

ROBERT G. PRUITT, JR.
OLIVER W. GUSHEE, JR.
F. ALAN FLETCHER
THOMAS W. BACHTTELL
A. JOHN DAVIS, III
FREDERICK M. MACDONALD

SUITE 1850 BENEFICIAL LIFE TOWER
SALT LAKE CITY, UTAH 84111
(801) 531-8446

TELECOPIER (801) 531-8468

May 15, 1989

Mr. Lowell Braxton, Associate Director
and
Mr. D. Wayne Hedberg, Senior Reclamation
Specialist/Hydrologist
Division of Oil, Gas & Mining
Department of Natural Resources
State of Utah
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

RECEIVED
MAY 16 1989

DIVISION OF
OIL, GAS & MINING

Re: DOGM Permit Review, 1989
~~Amendment Sevier Lake Project,~~
M/027/008-89(1) Millard
County, Utah

Enclosed is Crystal Peak Minerals Corporation's response to your comment letter of April 14, 1989. As noted, time is of the essence, and I would appreciate being advised that the Crystal Peak bond matter has been placed on the May 25th pre-hearing briefing session and, if necessary, hearing schedule for the same day.

Prompt approval of the revised bonding estimate is requested.

Very truly yours,


O.W. Gushee, Jr.

OWG:djw
Enclosure

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 11/11/01 BY 1045

0005

CRYSTAL PEAK MINERALS CORPORATION

P.O. Box 100
Milford, Utah 84751
801/634-7038

May 11, 1989

Mr. Lowell Braxton, Associate Director
and
Mr. D. Wayne Hedberg, Senior Reclamation
Specialist/Hydrologist
Mineral Resource Development and Reclamation Program
Division of Oil, Gas & Mining
Department of Natural Resources
State of Utah
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

Re: DOGM Permit Review, 1989 Amendment
Sevier Lake Project, M/027/008-89(1)
Millard County, Utah

Gentlemen:

Reference is made to our meeting on Friday, May 5, 1989 discussing your comment letter of April 14, 1989. Crystal Peak filed the amendment with DOGM under cover of letter dated December 29, 1988 and, as we noted at the meeting, CPMC is quite anxious to receive approval of the amendment and the bonding as soon as possible. Construction on the proposed Salt Plant facility is scheduled to commence during June, 1989.

Modifications discussed at the meeting are the following:

R-613-004-113 Surety.

The surety amount described in the reclamation estimate should be adjusted to reflect:

	<u>Delete</u>	<u>Add</u>
(1) Barrow area, grade (completed)	\$1,100	
(2) Plug water wells (2). (Delete one well agreed to be accepted by BLM)	2,500	
(3) Rip Salt Pad (new procedure)	3,890	
(4) Haul salt to nearest pond (new procedure)	23,920	
(5) Water leaching of pad		2,000
(6) Contingency (- 3 + 4 + 5) @ 10%		
New Total		\$105,000.00

Mr. Lowell Braxton
Mr. D. Wayne Hedberg
May 11, 1989
Page 2

Less Corporate Surety Bonds posted with:

BLM 53,000

Division of State Land and Forestry (re:
Utah Special Use Lease Agreement) 5,000

Required additional bonding \$ 47,000.00

Crystal Peak proposes to enter into a Board Contract with the Division of Oil, Gas and Mining to cover additional bonding requirements. We request an opportunity to appear before the Board to discuss the proposal at the Board of Oil, Gas & Mining's pre-hearing briefing session and, if necessary, the hearing scheduled for May 25, 1989. A proposed document with supporting financial data will be furnished to you prior to the briefing session and hearing.

R-613-004-106.6 and 107.5.

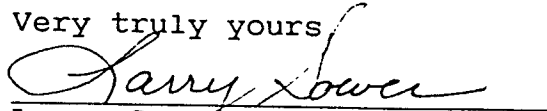
[Six inches of the sandy "top soil" will be stockpiled for future reclamation in an area Northeast of the salt pad.]

R-613-004-111.3.

Upon cessation of operations, as much of the salt pad as possible will be removed and sold as product. Large rainbird type sprinklers would then be operated on and around the stockpile area to dissolve any remaining salt not sold. The dissolved salt would be drained to Sevier Lake by Crystal Peak's installed drainage system at 200 GPM. Operation of the sprinkling system over a period of two weeks should provide more than sufficient water (approximately 14 acre feet) to dissolve any remaining salt not sold. Cost of the operation, including fuel and operator, is estimated at \$2,000, as noted in the modified surety estimate above.

Please advise if you have any questions.

Very truly yours


Larry Sower
General Manager

cc: Oliver Gushee, Jr.; and
William V.H. Clarke